

Security Information

MEMORANDUM FOR: General Counsel

21 AUG 1953

SUBJECT: Proposed Legislation on Civil Service Retirement

REFERENCES: H.R. 2851, H.R. 2873, S. 336 and S.338

## OGC Has Reviewed

1. H.R. 2851 and H.R. 2873 are duplicate bills which propose a general revision of the Civil Service Retirement Act of 1930, as amended. Principal changes contemplated in the bills are liberalized provisions for annuity benefits to annuitants and survivors and for retirement at an earlier age. (A detailed comparison of the bills with the Retirement Act, as amended, is attached hereto.)

### a. Principal Changes

(1) Whereas the present law requires 30 years' service in order for an employee to retire at age 60, he could retire with one-half this service under the proposed law. A new provision proposes that any individual who is involuntarily separated after age 50 with 20 years' service can retire; under the present "discontinued-service" provisions, 25 years' service is necessary for immediate retirement.

(2) Currently, no survivor annuity can be paid unless the employee has at least 5 years' civilian service, but under H.R. 2851 and H.R. 2873 a survivor annuity may be payable if the employee has acquired 1 1/2 years' service within the last three years prior to his death (a provision similar to the currently insured provision of the Social Security Act).

(3) One of the conditions of eligibility for a widow to receive an annuity by operation of law is liberalized by the requirement that she be married to the individual only one year preceding his death, instead of two years.

(4) Annuity payments would be increased by the passage of H.R. 2851 or H.R. 2873. The formula for computing the annuity of an employee having an average salary under \$5,000 would be changed from the current formula--1% of average salary (5 highest, consecutive years) + \$25 x years of service--to 1% of average salary + \$30 x years of service. The measures also propose an increase in the annuity payments

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of disability retirees, surviving children and widows of employees who die in the Federal service. (See attachment for details.)

b. Comment

This Staff is in accord with the provisions of these bills, or any other bill, which liberalize the amount of annuity benefits and eligibility for benefits. Consideration should be given to adoption of an amendment providing for retirement at age 50 with 20 years' service in hazardous security work, comparable to the special feature in the Retirement Act and H.R. 2851 and H.R. 2873 for persons engaged in criminal investigation.

2. S. 336

This proposal would modify existing provisions governing eligibility for retirement by providing that employees may retire at any age on a full annuity after 30 years of service. Currently, an employee can elect optional retirement between the ages 55 and 60 with a reduced annuity, if he has 30 years' service, and at age 60 with a full annuity, if he has 30 years' service. As indicated in paragraph 1 b above, we favor efforts to liberalize benefits and conditions of retirement. The bill is not incompatible with the career service concept of civil service retirement inasmuch as it contains a 30 year service requirement for retirement at any age.

3. S. 338

The Retirement Act would be amended by this bill to permit re-employed annuitants, age 60 and over, to make redeposits in order that they can receive credit for previous periods of service covered by refunds. Although annuitants over 60 are not entitled to have periods of re-employment counted, this bill would permit them to fully count all creditable service obtained prior to retirement. This arrangement seems equitable since its only effect is to extend the time that such employees are empowered to make redeposits.

4. The 82d Congress established a committee to study all Federal retirement and related systems (civilian and military). This group is not scheduled to report its findings and recommendations to the Congress for several months. We assume that individual proposals for revision of the Retirement Act such as those discussed above will be considered in conjunction with legislation proposed by this Committee; as a consequence, we do not anticipate that any significant action will be taken within the next year on these bills. When the Kaplan Committee reports to Congress, the need for submitting specific comments will be assessed.

in relation to the recommendations of the Legislative Task Force.



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Acting Personnel Director

Attachment

CONCUR:

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L. K. White  
Acting Deputy Director  
(Administration)